



Summary: The Economic Importance of National Monuments to Local Communities

Update and Overview of National Monument Series

Headwaters Economics | Spring 2014

Abstract

Headwaters Economics recently updated research that assesses the economic performance of local communities adjacent to national monuments in the West. These updated results—like the earlier study—found that the local economies surrounding all 17 of the national monuments expanded following the creation of new national monuments.¹

In 2011, Headwaters Economics analyzed the economies surrounding the 17 national monuments in the eleven western continental states that are larger than 10,000 acres and were created between 1982 and 2011. This sample avoids smaller monuments with little potential to have an impact on local economies, and allowed us to analyze economic indicators before and after designation using reliable measures of economic performance.

The new 2014 analysis provides the opportunity to compare more recent economic performance with the earlier study, and is especially interesting as many western communities emerge from the great recession.

While the results showing continued growth in nearby communities does not demonstrate a cause-and-effect relationship, the findings do show that national monuments are consistent with economic growth in adjacent local communities.

Trends in important economic indicators—such as population, employment, personal income, and per-capita income growth—in each of the regions surrounding the national monuments mostly dropped during the recession but most have started to recover, much like in similar counties not adjacent to national monuments. Overall, the updated analysis by Headwaters Economics again found no evidence that designating these national monuments prevented continued economic growth.

Findings

Across the board, trends in important economic indicators either continued or improved in each of the regions surrounding the 17 national monuments studied. Looking at per capita income, a widely accepted measure of prosperity, the data show that this measurement increased for the studied counties adjacent to every national monument in the years

MONUMENTS STUDIED

Aqua Fria, Arizona
Canyons of the Ancients, Colorado
Carrizo Plain, California
Cascade-Siskiyou, Oregon
Craters of the Moon, Idaho
El Malpais, New Mexico
Giant Sequoia, California
Grand Canyon-Parashant, Arizona and Utah
Grand Staircase Escalante, Utah
Hanford Reach, Washington
Ironwood Forest, Arizona
Mount St. Helens, Washington
Newberry Volcanic, Oregon
Santa Rosa-San Jacinto Mountains, California
Sonoran Desert, Arizona
Upper Missouri River Breaks, Montana
Vermilion Cliffs, Arizona

following establishment. This rise in personal wealth is significant, particularly in rural areas where average earnings per job are often declining.

The new analysis again compared the economic performance of national monument counties to similar benchmark counties—either to the Metro or Non-Metro portion of the state where the monument is located. In most instances, the growth in the four key economic indicators was the same or stronger in national monument counties than in comparable peer counties, though this varies by monument. Looking at these four indicators for all 17 national monument regions, 13 grew at similar or faster rates compared to the benchmark and four were slower.

National Monuments and Prosperity in the West

The western economy has changed significantly in recent decades. Services industries that employ a wide range of people—from doctors and engineers to teachers and accountants—have driven economic growth and now make up the large majority of jobs, even in rural areas. At the same time, non-labor income, which consists largely of investment and retirement income, is the fastest source of new personal income in the region.²

The results of this study correspond to related research that shows how protecting public lands can assist western communities working to promote a more robust economic future:

- Protected lands help create jobs. Western non-metropolitan counties with more than 30 percent of the county's land base in federal protected status such as national parks, monuments, wilderness, and other similar designations increased jobs at four times the rate of similar counties with no protected federal public lands (345% compared to 83% during the last 40 years.)³
- These lands also increase incomes. In 2010, per capita income in western non-metropolitan counties with 100,000 acres of protected public lands was on average \$4,360 higher than per capita income in similar counties with no protected public lands.⁴
- Protected natural amenities—such as pristine scenery and wildlife—help sustain property values and attract new investment.⁵
- Outdoor recreation is important to western economies. In New Mexico, for example, the Outdoor Industry Foundation reports that active outdoor recreation contributes \$6.1 billion annually to the state's economy, supporting 68,400 jobs.⁶
- Services jobs are increasingly mobile, and many entrepreneurs locate their businesses in areas with a high quality of life. Conserving lands, while also creating a new visibility for them through protective designations, helps safeguard and highlight the amenities that attract people and business.⁷
- For many seniors and soon-to-be retirees, protected public lands and recreation provide important aspects of a high quality of life. Non-labor sources of income already represent more than a third of all personal income in the West—and will grow as the Baby Boomer generation retires.⁸

Conclusion

The latest review shows again that all of the regional economies adjacent to the studied national monuments experienced growth following a monument's designation. Nearby national monuments help communities to diversify economically while increasing quality of life and recreational

opportunities that assist communities to become more attractive for new residents, businesses, and investment.

The study found no evidence that designating these national monuments prevented continued economic growth. Instead, trends in key economic indicators such as population, employment, personal income, and per capita income either continued or improved in each of the regions surrounding the national monuments.

For More Information

Contact Chris Mehl, Headwaters Economics, chris@headwaterseconomics.org or 406-570-8937

About Headwaters Economics

Headwaters Economics is an independent, nonprofit research group that assists the public and elected officials in making informed choices about land management and community development decisions in the West, <http://headwaterseconomics.org/>.

End Notes

¹ Methodology, details about the national monuments, and the 2011 study can be found here:

<http://headwaterseconomics.org/land/reports/national-monuments>.

² Headwaters Economics. 2012. West Is Best. <http://headwaterseconomics.org/land/west-is-best-value-of-public-lands>.

³ Ibid. Rasker, R. 2006. An exploration into the economic impact of industrial development versus conservation on western public lands. *Society & Natural Resources*, 19(3), 191–207.

⁴ Rasker, R., P.H. Gude, M. Delorey. 2013. The Effect of Protected Federal Lands on Economic Prosperity in the Non-Metropolitan West. *Journal of Regional Analysis and Policy*.

⁵ Deller, S. C., T.-H. Tsai, et al. 2001. The Role of Amenities and Quality of Life in Rural Economic Growth. *American Journal of Agricultural Economics* 83(2): 352-365.

⁶ Outdoor Industry Foundation. 2012. The Outdoor Recreation Economy Report.

⁷ Lorah, P. R. Southwick, et al. 2003. Environmental Protection, Population Change, and Economic Development in the Rural Western United States. *Population and Environment* 24(3): 255-272; McGranahan, D. A. 1999. Natural Amenities Drive Rural Population Change. E. R. S. U.S. Department of Agriculture. Washington, D.C.

⁸ Frey, W.H. 2006. America's Regional Demographics in the '00 Decade: The Role of Seniors, Boomers and New Minorities. The Brookings Institution, Washington, D.C.